Council Highlights: February 2001

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COUNCIL HIGHLIGHTS is intended to provide quick updates on issues of interest to members and affiliates of the Council of Ontario Universities (COU). It is produced regularly throughout the academic year.

This issue covers the months of January and February 2001.

COU's pre-budget presentation focuses on economic impact of Ontario universities

On February 15, 2001, the Council of Ontario Universities – represented by Dr. Mordechai Rozanski, Vice-Chair of COU and President of the University of Guelph; Dr. Ian Clark, COU President; and Ken Snowdon, Vice-President of Policy and Analysis – made its 2001 pre-budget presentation to the Standing Committee on Finance and Economic Affairs. The focus of the presentation was that a highly educated population and a dynamic research culture provide significant economic benefits and the tools that enable a jurisdiction to compete in the new knowledge-based economy, as well as enrich the social and cultural life of all Ontarians. For a copy of the Brief to the Ontario Legislature's Standing Committee on Economic and Financial Affairs: 2001 Pre-Budget Consultations, visit the COU web site (www.cou.on.ca).

Included with the brief to the Standing Committee were two other documents: the newly released report, The Economic Impact of Ontario Universities, which was prepared by Enterprise Canada Research and commissioned by COU (and is covered below); and a special edition of the Council's newsletter For the Record, which highlights the findings of the comprehensive report. Both of these documents can also be found on the COU web site (www.cou.on.ca).

Economic study finds Ontario universities provincial leaders in job creation

Ontario universities are major contributors to economic growth and job creation in the province, directly or indirectly sustaining more than 375,000 Ontario jobs, according to findings of a recent COU-commissioned study by Enterprise Canada Research, The Economic Impact of Ontario Universities. The Province of Ontario annually invests just over $2.1 billion in university education. The Enterprise Canada study finds that, in return for this investment, the province receives more than $3.2 billion back in revenues generated directly and indirectly by the university sector.

The study finds that expenditures on university education are more potent economic stimulants than expenditures on almost any other good or service, and that the university sector generally provides more employment per dollar than any other sector. When considered as an "industry," the university sector is a significant employer.

Enterprise Canada developed a methodology, based on an extensive literature review and best approaches, to establish the economic impact of Ontario universities, university graduates, and the commercialization/transfer of university research. Using 1998 as the reference year (the most recent year for which the most complete data are available), the study applies only five of many possible measures to estimate the impact of Ontario universities on the provincial economy. The five measures are:

1. Through the impact of expenditures made directly by the institutions.

Ontario universities spent approximately $4.7 billion in 1998, of which roughly 40% was provided by the provincial government. This initial expenditure translated into more than $10 billion in

economic activity as the spending circulated through the economy.

Fact: The Gross Domestic Product (GDP) for Ontario's university sector is larger than any of the province's plastic products, textiles, paper products, fabricated metal, electrical and electronic products, communications, or chemical products industries.

2. Through the commercialization/transfer of university research.

The economic impact of university-based research and development (R&D) may show up in many ways – from the consulting activity of individual faculty members, to the creation of new spin-off companies, to the movement of graduates with innovative ideas and capabilities into the commercial environment, to the attraction of new capital investment to the province. University R&D also generates economic growth in other ways, such as the licensing of innovations.

There is also likely to be substantial equity investment to bring new products and services to market. A low-end estimate of the value of university-based innovation – using economic activity generated by spin-off companies in a single year, the pre-production activity associated with licensing and the paid consulting carried out by faculty as factors – shows that the direct and indirect inflow to the provincial treasury was $38.8 million in 1998 and that some 2,400 jobs were sustained by this economic activity. These estimates do not include the unmeasured economic impact of licensing to existing companies.

Fact: There are an estimated 136 companies operating in Ontario as a result of direct university linkages.

3. Through the impact of university graduates' higher average income and spending power relative to other taxpayers and consumers.

The findings make it clear that public investment in Ontario students makes good economic sense for the province as well as for the individuals who earn a degree. Ontario receives a lifetime of public pay-back from its university graduates.

Fact: Average personal income increases substantially with the level of educational attainment. Statistics Canada findings indicate that a university degree commands the highest average income among different types of education. The earnings of university graduates are substantial soon after graduation and continue to grow as their careers progress.

Fact: University graduates' higher annual contribution to the provincial tax base repays Ontario's annual investment in its universities.

Fact: University graduates' higher spending power translates into jobs.

4. Through the taxable personal expenditures of out-of-province students.

Ontario universities also pay back to the province through the personal (taxable) expenditures of their out-of-province students. International and out-of-province students contributed $13.5 million to the government in provincial sales tax revenues in 1998. It is estimated that their expenditures directly or indirectly sustained the equivalent of 8,821 full-time jobs.

5. Through the cost avoidance benefit from university graduates' higher levels of philanthropic activity relative to high school graduates.

The Enterprise Canada report also calculates the value of our graduates' contributions to Ontario's charitable organizations – religious, education and research, health, culture, arts and recreation – through giving and volunteering. In 1998, university graduates donated $420.1 million more in funds and significantly more volunteer hours than their high school counterparts.

Even within their narrow terms of reference, however, the findings – which Enterprise Canada considers to be conservative – show conclusively that Ontarians receive a significant, tangible

economic benefit from their long-term investment in Ontario universities, a benefit that is paid out annually to support economic growth and job creation in the province.

For a copy of the Enterprise Canada report, visit the COU web site (www.cou.on.ca).

COU recently published a special edition of For the Record (Vol. 4, No. 1) that highlights the results of the study, as well as significant contributions made by individual universities that have had an economic and social impact within their local communities, regions and beyond. For a copy of the newsletter, visit the COU web site (www.cou.on.ca).

Update on collaborative nursing programs

On January 19, 2001, the Ministry of Training, Colleges and Universities and the Ministry of Health and Long-Term Care announced an investment of an additional $49 million to support the transition to baccalaureate entry-to-practice for collaborative nursing programs in Ontario. The increased funding will provide:

- an additional $10 million for Start-up and Expansion Grants for 2001-2002 and 2002-2003, bringing the total to $20 million;
- $14.7 million over three years for universities to offer compressed degree programs; and
- $24.3 million over three years for colleges to fund a final diploma intake.

To date, formal agreements or memorandums of understanding have been signed by the following partners:

- Brock with Loyalist
- Laurentian with Boréal (French program)
- Laurentian with Northern, Cambrian and Sault (English program)
- McMaster with Mohawk and Conestoga
- Nipissing with Canadore
- Ottawa with Algonquin (English program)
- Ottawa with La Cité (French program)
- Ryerson with Centennial and George Brown
- Trent with Sir Sandford Fleming
- Western with Fanshawe
- York with Durham, Georgian and Seneca

Negotiations are ongoing for Queen's University and St. Lawrence College, and for University of Windsor and St. Clair and Lambton colleges. In addition, the University of New Brunswick has made an application for ministerial consent to allow it to offer nursing degrees in Ontario in partnership with Humber College.

Beginning January 1, 2005, the College of Nurses of Ontario will require registered nurses to have a baccalaureate degree to practise in the province.

OPAS hosts symposium on the environment sector

On February 8, 2001, the Office for Partnerships for Advanced Skills (OPAS), in partnership with the Canadian Council for Human Resources in the Environment Industry (CCHREI), hosted an Environment Sector Symposium. Ontario Environment Minister Dan Newman opened the symposium, which was co-chaired by Dr. Mordechai Rozanski, President of the University of Guelph, and Jim Balfour, President and CEO of Dillon Consulting Limited. Participants were senior representatives from 14 universities along with 15 industry leaders and senior representatives from the federal and provincial governments.

The symposium focused on four issues: curriculum, recruitment and retention, school-to-work transition and continued learning for the sector's workforce. Discussions resulted in a number of specific recommendations and follow-up actions for these areas. The proceedings of this symposium, which is the fourth sponsored by OPAS, will be published next month.

Standing Committee on university-college relations expands mandate and membership

On February 6, 2001, the chairs of the Working Group on Post-Diploma Degrees (Dr. Roland Smith, Vice-President, Academic, Wilfrid Laurier University) and the Task Force on Relations with Private Educational Institutions (Dr. Richard Van Loon, President, Carleton University) presented their final reports to the Standing Committee on the Relationships Between Universities and Colleges of Applied Arts and Technology. The Standing Committee agreed to address the recommendations of these groups and revise its mandate and name to include issues related to private institutions. The Standing Committee's new name will be the Standing Committee on Relationships with Other Postsecondary Institutions.

In January 2001, Sheldon Levy, Vice-President, Government and Institutional Relations, University of Toronto, and Dr. Sheila Embleton, Vice-President, Academic, York University, joined the Standing Committee.

Application volume increases again

The Ontario Universities' Application Centre (OUAC) released mid-February application statistics that indicate application volume has increased again this year. The largest category of applicants, the Ontario secondary school group, has shown an increase of 2.1% in applicants and an increase of 6.4% in university and program selections as compared to last year's application cycle. The increase in the number of program selections means that more individual applicants are applying to a greater number of universities.

Application volume for the non-secondary category of applicants was also up significantly in mid-February, and applications will continue to be received in this division for several months. The increase in non-secondary, first-year and advanced standing applications are partly due to OUAC's automated online web application. Non-secondary application statistics will be available online at www.ouac.on.ca after March 21, 2001.

CUPA begins enrolment review

The Committee on Enrolment Statistics, Projections and Analysis (CESPA), under the umbrella of the Council on University Planning and Analysis (CUPA), has begun an enrolment review that will include an analysis of historical, current and projected levels of university enrolment levels. The committee expects to publish and distribute its report by May 2001.

OUAC's online web application grows

With the addition of the automated application for Teacher Education, OUAC's online web application system has grown substantially. As of mid-February 2001, over 20,200 applicants chose to apply online, including 6,031 applicants for Teacher Education. Over 145,000 individuals visited the site this application cycle, and over 45,000 "registered" to begin to complete their admission application online. Most individuals take advantage of the option to pay their application fees online. Thousands of applicants have applied online for their Ontario university transcripts to be transferred through the Centre's electronic transcript service. The online application reduces the Centre's processing costs and ensures the rapid transfer of the application data to Ontario's universities. Applications to the province's Medical Schools will be added to the web system later this year for 2002 admissions.

Official opening of new application centre slated for May

The Ontario Universities' Application Centre hopes to be fully moved into its new 25,000 square foot facility at 170 Research Lane in Guelph by April 16, 2001. The new site will provide a state-of-the-art processing facility with sufficient space to accommodate the centre's expanded processing needs for the increased cohort of secondary school applicants beginning in 2002. The official dedication of the new building and ribbon-cutting ceremony will take place at 12:30 p.m. on May 25, 2001. All members of the Ontario university community are invited to attend. Research Lane is off Stone Road, between Edinburgh and Gordon, in the south-central area of Guelph.